

Message Text

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PAGE 01 STATE 093845

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SPECIAL CHARGE TX-387

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R 232225Z APR 75

FM SECSTATE WASHDC

TO AMEMBASSY REYKJAVIK

UNCLAS STATE 093845

E.O. 11652: N/A

TAGS: EFIN

SUBJ: GOI REQUEST FOR INFORMATION ON NEGATIVE INCOME TAX

REF: REYKJAVIK 383

1. US HAS NO NEGATIVE INCOME TAX PER SE. TWO PROVISIONS IN TAX REDUCTION ACT OF 1975 MOVE IN THIS DIRECTION.

2. TO SUPPLEMENT THE REBATE ON 1974 INCOME TAXES, WHICH CANNOT EXCEED TAXPAYER'S ACTUAL TAX LIABILITY, A DOLS 50 PAYMENT WILL BE MADE TO EACH INDIVIDUAL WHO IS ENTITLED TO BENEFITS UNDER SOCIAL SECURITY, RAILROAD, RETIREMENT, OR SUPPLEMENTAL SECURITY INCOME PROGRAMS. THIS IS A ONE-TIME PAYMENT AND ONLY US RESIDENTS ARE ELIGIBLE.

3. ALSO ENACTED WAS A ONE-YEAR REFUNDABLE TAX CREDIT EQUAL TO 10 PERCENT (MAXIMUM DOLS 400) OF EARNED INCOME OF AN ELIGIBLE INDIVIDUAL. AN ELIGIBLE INDIVIDUAL MUST MAINTAIN A HOUSEHOLD IN THE US WHICH INCLUDES A DEPENDENT CHILD. THE MAXIMUM CREDIT IS REDUCED AS INCOME RISES ABOVE DOLS 4,000 AND BECOMES ZERO WHEN INCOME REACHES DOLS 8,000. KISSINGER

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Message Attributes

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Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TAX CHANGES, TAX RELIEF
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Draft Date: 23 APR 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Margaret P. Grafeld
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